

PROGRAM NARRATIVE**408 Public Service Commission****Date:** 12/23/2014**Time:** 12:52:10**Program:** Administration**Reporting level:** 00-408-100-00-00-00-00-00000000**Program Performance Measures**

Not Available.

Program Statistical Data

The Commission processed 1,706 cases, 96% of all formal cases were processed without the need for a formal hearing.

Explanation of Program Costs

The Commission's administration is comprised of 3 Statewide Elected Officials, 1 Executive Secretary, and 10.05 full-time employees. The salary and wages line item includes the bulk of program expenditures. Of the remaining expenditures, more than half are technology related including such items as hardware, software, contractual services, ISD port charges, telephones, repairs and computer training. More details regarding the commission's computer system can be reviewed in its Information Technology Plan.

Program Goals and Objectives

The Commission's administrative functions are handled by its executive secretary and staff in its Legal and Technology Divisions. These divisions provide legal, data processing, budgeting, accounting, administrative, and personnel-related services to the Commission and its various regulatory divisions. These support services are provided to help the Commission carry out its statutory mandates in a timely, responsive, effective, and efficient manner.

REQUEST DETAIL BY PROGRAM

408 Public Service Commission

Bill#: SB2008

Date: 12/23/2014

Time: 12:52:10

Biennium: 2015-2017

Program: Administration		Reporting Level: 00-408-100-00-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
Salaries and Wages					
Salaries - Permanent	1,803,369	1,990,000	90,905	2,080,905	0
Salaries - Other	0	0	0	0	350,268
Temporary Salaries	18,693	13,200	(13,200)	0	0
Fringe Benefits	619,220	718,025	33,052	751,077	0
Total	2,441,282	2,721,225	110,757	2,831,982	350,268
Salaries and Wages					
General Fund	1,753,879	1,969,710	(18,780)	1,950,930	258,568
Federal Funds	687,403	751,515	129,537	881,052	91,700
Special Funds	0	0	0	0	0
Total	2,441,282	2,721,225	110,757	2,831,982	350,268
Accrued Leave					
Fringe Benefits	0	168,278	(168,278)	0	0
Total	0	168,278	(168,278)	0	0
Accrued Leave					
General Fund	0	90,598	(90,598)	0	0
Federal Funds	0	77,680	(77,680)	0	0
Special Funds	0	0	0	0	0
Total	0	168,278	(168,278)	0	0
Operating Expenses					
Travel	45,749	90,000	0	90,000	75,857
Supplies - IT Software	110,037	46,650	0	46,650	0
Supply/Material-Professional	13,144	13,200	0	13,200	0
Food and Clothing	1,572	50	0	50	0
Bldg, Ground, Maintenance	2,491	0	0	0	0
Miscellaneous Supplies	6,019	2,300	0	2,300	0
Office Supplies	26,467	20,000	0	20,000	0
Postage	11,809	16,600	0	16,600	0
Printing	3,443	10,000	0	10,000	0
IT Equip Under \$5,000	115,605	32,855	0	32,855	0
Other Equip Under \$5,000	2,096	1,281	0	1,281	0
Office Equip & Furn Supplies	21,319	3,319	0	3,319	0
Insurance	14,409	13,000	0	13,000	0
Rentals/Leases - Bldg/Land	2,483	0	0	0	0
Repairs	46,934	11,100	0	11,100	0

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Biennium: 2015-2017

Program: Administration		Reporting Level: 00-408-100-00-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
IT - Data Processing	112,558	130,000	0	130,000	0
IT - Communications	65,960	53,686	0	53,686	0
IT Contractual Svcs and Rprs	8,955	89,900	0	89,900	0
Professional Development	40,439	44,766	0	44,766	0
Operating Fees and Services	1,122	16,634	0	16,634	0
Fees - Professional Services	802	2,000	0	2,000	0
Medical, Dental and Optical	100	0	0	0	0
Total	653,513	597,341	0	597,341	75,857
Operating Expenses					
General Fund	653,513	597,341	0	597,341	75,857
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	653,513	597,341	0	597,341	75,857
Capital Assets					
Extraordinary Repairs	0	0	0	0	82,442
Equipment Over \$5000	33,074	0	0	0	0
IT Equip/Sftware Over \$5000	16,627	60,665	(34,265)	26,400	0
Total	49,701	60,665	(34,265)	26,400	82,442
Capital Assets					
General Fund	49,701	60,665	(34,265)	26,400	82,442
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	49,701	60,665	(34,265)	26,400	82,442
Reclamation & Grain Litigation					
Fees - Professional Services	0	900,000	(750,000)	150,000	750,000
Total	0	900,000	(750,000)	150,000	750,000
Reclamation & Grain Litigation					
General Fund	0	500,000	(414,000)	86,000	414,000
Federal Funds	0	400,000	(336,000)	64,000	336,000
Special Funds	0	0	0	0	0
Total	0	900,000	(750,000)	150,000	750,000
Total Expenditures	3,144,496	4,447,509	(841,786)	3,605,723	1,258,567

REQUEST DETAIL BY PROGRAM

408 Public Service Commission

Biennium: 2015-2017

Bill#: SB2008

Date: 12/23/2014

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Program: Administration		Reporting Level: 00-408-100-00-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017

Funding Sources**General Fund**

Total	2,457,093	3,218,314	(557,643)	2,660,671	830,867
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Federal Funds

002 Federal Fund Budget	0	0	0	0	0
R341 Reclamation Grant	0	450,000	(386,000)	64,000	375,300
R401 AML Admin Grant	0	27,680	(27,680)	0	52,400
R999 Indirect Cost Recovery	687,403	751,515	129,537	881,052	0

Total	687,403	1,229,195	(284,143)	945,052	427,700
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Total Funding Sources

3,144,496	4,447,509	(841,786)	3,605,723	1,258,567
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FTE Employees

13.44	14.05	0.00	14.05	0.00
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CHANGE PACKAGE DETAIL

408 Public Service Commission

Biennium: 2015-2017

Bill#: SB2008

Date: 12/23/2014

Time: 12:52:10

Program: Administration			Reporting Level: 00-408-100-00-00-00-00000000			
Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds

Base Budget Changes**One Time Budget Changes**

A-E 12 Remove Prior Biennium One-time		0.00	(414,000)	(336,000)	0	(750,000)
Total One Time Budget Changes		0.00	(414,000)	(336,000)	0	(750,000)

Ongoing Budget Changes

A-A 9 IT Equipment over \$5,000		0.00	26,400	0	0	26,400
A-F 13 Remove Capital Assets		0.00	(60,665)	0	0	(60,665)
Base Payroll Change		0.00	(109,378)	51,857	0	(57,521)
Total Ongoing Budget Changes		0.00	(143,643)	51,857	0	(91,786)
Total Base Budget Changes		0.00	(557,643)	(284,143)	0	(841,786)

Optional Budget Changes**One Time Optional Changes**

A-D 11 Extraordinary Repairs - Hearing Room	11	0.00	82,442	0	0	82,442
Total One Time Optional Changes		0.00	82,442	0	0	82,442

Ongoing Optional Changes

A-C 100 Market Analysis Equity Request	3	0.00	88,268	0	0	88,268
A-C 4 Reclamation & Grain Litigation Fund	4	0.00	414,000	336,000	0	750,000
A-C 6 General Travel Cost Increases	6	0.00	75,857	0	0	75,857
A-C 10 Accrued Leave Payout Liability	10	0.00	170,300	91,700	0	262,000
Total Ongoing Optional Changes		0.00	748,425	427,700	0	1,176,125
Total Optional Budget Changes		0.00	830,867	427,700	0	1,258,567

PROGRAM NARRATIVE**408 Public Service Commission****Date:** 12/23/2014**Time:** 12:52:10**Program:** Testing, Licensing and Certification**Reporting level:** 00-408-200-00-00-00-00000000**Program Performance Measures**

Not Available.

Program Statistical Data

WEIGHTS AND MEASURES: During the 2011-2013 Biennium, Commission staff inspected and tested 16,903 weighing and measuring devices, reviewed 21,946 device test reports filed by private device testers, and investigated 9 consumer complaints. . On July 1, 2013, the Commission replaced the traditional device testing program for scales over 1,000 lbs. with a quality assurance program. For the non-quality assurance testing and inspection program, the Commission has, since July 1, 2013, inspected and tested 5,860 weighing and measuring devices, reviewed 12,616 device test reports filed by private device testers, and investigated 7 consumer complaints. The Commission has conducted 138 inspections under the new quality assurance program.

Revenues generated during the 2011-2013 Biennium from staff testing of weighing or measuring devices totaled \$286,255.

LICENSING:

During the 2011-2013 Biennium the Commission issued 39 new grain warehouse and facility-based grain buyer licenses, renewed 794 grain warehouse and facility-based grain buyer licenses, and issued or renewed 163 roving grain buyer licenses. These grain buying entities serve as the initial market for much of the grain produced by the state's farmers. Commission approved 231 capacity increase requests and 150 capacity decrease requests and granted a total of 49 grain warehouse and facility-based grain buyer requests to discontinue business. Commission grain warehouse inspectors completed 375 grain warehouse examinations and 18 roving grain buyer examinations. There were no hay buyer licenses issued during the biennium. The Commission issued or renewed 743 auctioneer licenses and 402 auction clerk licenses.

No formal complaints were filed during the 2011-2013 Biennium. Three insolvencies were completed during the biennium. In the first insolvency, two cash claims were filed. The Commission eventually received letters from each cash claimant withdrawing his claim. In the second insolvency, one cash claim and four credit-sale contract claims were filed. The cash claimant received payment representing 100% of the claim, plus interest since the date of insolvency and the four credit-sale contract claimants received payment representing 80% of the claims from the Credit-Sale Contract Indemnity Fund. In the third insolvency, seven cash claims and seven credit-sale contract claims were filed. The seven cash claimants received payment representing 100% of the claims, plus interest since the date of insolvency and the seven credit-sale contract claimants received payment representing 80% of the claims from the Credit-Sale Contract Indemnity Fund. The Commission was reimbursed for its expenses in all three insolvencies.

During the 2011-2013 Biennium, revenues generated for the general fund for grain warehouse, grain buyer, auctioneer, and auction clerk license fees totaled \$394,439.

During the 2011-2013 Biennium, payments totaling \$547,666 were made from the credit-sale contract indemnity fund. At the end of the biennium, the credit-sale contract indemnity fund balance was approximately \$6.5 million.

GAS PIPELINE SAFETY: During the 2011-2013 Biennium, the Commission conducted 151 gas pipeline safety inspections (76 standard inspections, 5 compliance follow-up, 26 design/testing and construction inspections). During the biennium, 6 violations were found and followed up with compliance orders. Since July 1, 2013, the Commission conducted gas pipeline safety inspections (78 standard inspections, 7 compliance follow-up, 6 design/testing and construction inspections). Since July 1, 2013, 16 violations were found and followed up with compliance orders.

Civil penalties assessed totaled \$5,000.

PROGRAM NARRATIVE**408 Public Service Commission****Date:** 12/23/2014**Time:** 12:52:10**Program:** Testing, Licensing and Certification**Reporting level:** 00-408-200-00-00-00-00-00000000**Explanation of Program Costs**

WEIGHTS AND MEASURES: The weights and measures program employs 3.5 full-time employees. The costs to operate the weights and measures program are primarily comprised of wages and travel expenses for the inspectors. Due to the closing of the Metrology Lab, spending includes travel to an out-of-state laboratory for calibration of weights and measures standards used for the testing of commercial weighing and measuring devices.

LICENSING: The program employs 3.75 full-time employees. For many years a large majority of grain warehouses in North Dakota stored federal grain and were regularly inspected by federal inspectors. The Commission developed its inspection program for the warehouses not inspected by federal inspectors which involved primarily warehouses that handled commodities such as dry edible beans, peas and lentils, organic grain, and crushing and processing facilities. The federal government ceased inspections at all state licensed grain warehouses in early 2009. The Commission is responsible for conducting inspections at all state licensed grain warehouses and inspections are conducted on a 15 – 18 month basis. The program costs are primarily comprised of wages and travel related costs for its warehouse inspections. The Commission can hire outside counsel to provide legal services to assist in processing an insolvency through the use of the Litigation Fund.

GAS PIPELINE SAFETY: The gas pipeline safety program employs 2.10 full-time employees. As with the weights and measures program, the costs for the gas pipeline safety program are primarily comprised of wages and travel related costs for the inspectors.

Program Goals and Objectives

WEIGHTS AND MEASURES: 1) Inspect, test, and certify all commercial weighing and measuring devices used in North Dakota. 2) Test and license all registered service companies and self-certifying companies, and administer their compliance with State law and Commission rules. 3) Maintain traceability of all weight/volume standards to the National Institute of Standards and Technology. 4) Develop and recommend rule changes and enforcement procedures to the Commission. 5) Provide timely and accurate information in response to inquiries/complaints regarding the Weights and Measures Program.

LICENSING: Regulate: 1) public grain warehouses and grain buyers in order to protect the interests of farmers who market their grain through these companies; 2) auctioneers and clerks in order to protect the interests of persons buying or selling real or personal property via public auction; and 3) railroad activities to promote a healthy industry and fair treatment for all shippers. Exercise complaint authority over licensed and unlicensed public grain warehouses and grain buyers and investigate unfair practices and unfair discrimination.

GAS PIPELINE SAFETY: 1) Inspect all gas intrastate transmission and distribution systems for compliance to State law and recommend actions for substandard conditions. 2) Develop and recommend rule changes and enforcement procedures to the Commission. 3) Provide timely and accurate information in response to inquiries/complaints regarding the Pipeline Safety Program.

REQUEST DETAIL BY PROGRAM

408 Public Service Commission

Bill#: SB2008

Date: 12/23/2014

Time: 12:52:10

Biennium: 2015-2017

Program: Testing, Licensing and Certification Reporting Level: 00-408-200-00-00-00-00000000

Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
Salaries and Wages					
Salaries - Permanent	796,854	1,043,718	30,552	1,074,270	1,638,000
Salaries - Other	0	0	0	0	56,799
Temporary Salaries	750	3,000	(3,000)	0	0
Overtime	107	0	0	0	0
Fringe Benefits	323,110	421,579	17,458	439,037	567,447
Total	1,120,821	1,468,297	45,010	1,513,307	2,262,246
Salaries and Wages					
General Fund	1,003,219	1,225,233	3,902	1,229,135	1,617,877
Federal Funds	117,602	243,064	41,108	284,172	644,369
Special Funds	0	0	0	0	0
Total	1,120,821	1,468,297	45,010	1,513,307	2,262,246
Operating Expenses					
Travel	423,637	412,854	0	412,854	536,956
Supplies - IT Software	1,385	5,259	0	5,259	0
Supply/Material-Professional	1,441	450	0	450	0
Food and Clothing	3,082	2,650	0	2,650	2,825
Bldg, Ground, Maintenance	227	2,209	0	2,209	957
Miscellaneous Supplies	6,983	3,128	0	3,128	2,544
Office Supplies	694	2,026	0	2,026	303
Postage	765	400	0	400	0
Printing	2,525	3,788	0	3,788	1,803
Other Equip Under \$5,000	2,564	3,750	0	3,750	1,375
Office Equip & Furn Supplies	1,655	600	0	600	0
Insurance	363	700	0	700	257
Rentals/Leases - Bldg/Land	0	4,000	0	4,000	10,000
Repairs	4,710	8,625	0	8,625	3,163
IT - Data Processing	38	0	0	0	0
IT - Communications	0	3,325	0	3,325	853
IT Contractual Svcs and Rprs	2,650	3,000	0	3,000	0
Professional Development	1,400	1,560	0	1,560	132
Operating Fees and Services	40,464	19,522	0	19,522	93,375
Fees - Professional Services	22,006	64,628	0	64,628	124,769
Total	516,589	542,474	0	542,474	779,312
Operating Expenses					
General Fund	451,695	472,629	0	472,629	552,772

REQUEST DETAIL BY PROGRAM

408 Public Service Commission

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Date: 12/23/2014

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Biennium: 2015-2017

Program: Testing, Licensing and Certification		Reporting Level: 00-408-200-00-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
Federal Funds	64,894	69,845	0	69,845	226,540
Special Funds	0	0	0	0	0
Total	516,589	542,474	0	542,474	779,312
Rail Rate Complaint Case					
Fees - Professional Services	0	900,000	0	900,000	0
Total	0	900,000	0	900,000	0
Rail Rate Complaint Case					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	900,000	0	900,000	0
Total	0	900,000	0	900,000	0
Total Expenditures	1,637,410	2,910,771	45,010	2,955,781	3,041,558
Funding Sources					
General Fund					
Total	1,454,914	1,697,862	3,902	1,701,764	2,170,649
Federal Funds					
R030 Gas Pipeline Safety Program	0	41,000	(30,000)	11,000	0
R301 Gas Safety Grant	162,996	256,909	71,108	328,017	275,168
R408 Hazardous Liquids Program	0	0	0	0	595,741
R791 One Call	19,500	15,000	0	15,000	0
Total	182,496	312,909	41,108	354,017	870,909
Special Funds					
277 State Rail Fund 277	0	900,000	0	900,000	0
Total	0	900,000	0	900,000	0
Total Funding Sources	1,637,410	2,910,771	45,010	2,955,781	3,041,558
FTE Employees	9.60	9.35	0.00	9.35	9.00

CHANGE PACKAGE DETAIL

408 Public Service Commission

Bill#: SB2008

Date: 12/23/2014

Biennium: 2015-2017

Time: 12:52:10

Program: Testing, Licensing and Certification			Reporting Level: 00-408-200-00-00-00-00000000			
Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds

Base Budget Changes**Ongoing Budget Changes**

Base Payroll Change		0.00	3,902	41,108	0	45,010
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Total Ongoing Budget Changes		0.00	3,902	41,108	0	45,010
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Total Base Budget Changes		0.00	3,902	41,108	0	45,010
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Optional Budget Changes**Ongoing Optional Changes**

A-C 1 Weights and Measures Inspector	1	1.00	313,035	0	0	313,035
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A-C 2 Natural Gas Pipeline Inspector	2	1.50	255,166	255,168	0	510,334
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A-C 100 Market Analysis Equity Request	3	0.00	56,799	0	0	56,799
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A-C 5 Travel Adjustment for Existing Natural Gas FTE	5	0.00	20,000	20,000	0	40,000
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A-C 7 Hazardous Liquids Safety Program	7	3.50	595,739	595,741	0	1,191,480
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A-C 8 Railroad Safety Program	8	3.00	929,910	0	0	929,910
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Total Ongoing Optional Changes		9.00	2,170,649	870,909	0	3,041,558
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Total Optional Budget Changes		9.00	2,170,649	870,909	0	3,041,558
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PROGRAM NARRATIVE**408 Public Service Commission****Date:** 12/23/2014**Time:** 12:52:10**Program:** Public Utilities**Reporting level:** 00-408-300-00-00-00-00000000**Program Performance Measures**

The case load, described in the next section, is handled by 5 analysts, 1 attorney, and 1 administrative assistant with support from the commission's information officer.

Program Statistical Data

During the 2011-13 Biennium, this program received 934 cases including interconnection and service area agreements, fuel cost adjustment applications, public convenience and necessity certificates, tariff filings, energy conversion and transmission facility siting cases, advance determination of prudence cases, rate increase applications, filed complaints and other miscellaneous filings.

The Commission recorded approximately 3,407 complaints and inquiries during the 2011-13 biennium, the majority involved gas and electric concerns.

Explanation of Program Costs

The program employs 6.90 full-time employees. The majority of the requested funds is related to salaries but also includes operating expenses necessary to monitor and enforce compliance with the statutory requirements of public utility companies.

Program Goals and Objectives

Investigate profits, standards and conditions of service, service area boundaries, long range plans and siting routes of electric and gas utilities with the intent of allowing enough profit to maintain minimum cost of service for a desirable level of quality. Investigate and recommend compliance status of electric, gas and telecommunication companies within state law, Commission rules and orders. Evaluate impact of ownership transfers. Comply with Telecommunications Act of 1996. Exercise complaint authority and compliant adjudication authority over telecommunication prices and quality of service. Provide assistance to the public concerning complaints, inquiries and requests for information relating to rates, billing procedures, service deficiencies, safety, and customer relations.

REQUEST DETAIL BY PROGRAM

408 Public Service Commission

Bill#: SB2008

Date: 12/23/2014

Time: 12:52:10

Biennium: 2015-2017

Program: Public Utilities	Reporting Level: 00-408-300-00-00-00-00000000
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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
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Salaries and Wages

Salaries - Permanent	798,342	1,024,018	80,348	1,104,366	0
Temporary Salaries	3,717	3,000	(3,000)	0	0
Overtime	0	2,000	(2,000)	0	0
Fringe Benefits	266,609	361,513	23,823	385,336	0
Total	1,068,668	1,390,531	99,171	1,489,702	0

Salaries and Wages

General Fund	1,068,668	1,390,531	99,171	1,489,702	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	1,068,668	1,390,531	99,171	1,489,702	0

Operating Expenses

Travel	19,818	26,215	0	26,215	0
Supply/Material-Professional	373	2,000	0	2,000	0
Food and Clothing	0	300	0	300	0
Miscellaneous Supplies	97	650	0	650	0
Office Supplies	0	260	0	260	0
Postage	156	0	0	0	0
Printing	24	100	0	100	0
Other Equip Under \$5,000	467	5,000	0	5,000	0
Office Equip & Furn Supplies	181	597	0	597	0
IT - Communications	2	0	0	0	0
Professional Development	18,954	20,300	0	20,300	0
Operating Fees and Services	17,803	42,000	0	42,000	0
Fees - Professional Services	13,748	104,600	0	104,600	0
Total	71,623	202,022	0	202,022	0

Operating Expenses

General Fund	53,607	77,022	0	77,022	0
Federal Funds	0	0	0	0	0
Special Funds	18,016	125,000	0	125,000	0
Total	71,623	202,022	0	202,022	0

Federal Stimulus Funds 2009

Salaries - Permanent	340	0	0	0	0
Temporary Salaries	68,016	0	0	0	0
Fringe Benefits	16,582	0	0	0	0

REQUEST DETAIL BY PROGRAM

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Biennium: 2015-2017

Program: Public Utilities		Reporting Level: 00-408-300-00-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
Travel	22,405	0	0	0	0
Supply/Material-Professional	15	0	0	0	0
Office Supplies	100	0	0	0	0
IT - Communications	816	0	0	0	0
Professional Development	4,478	0	0	0	0
Operating Fees and Services	307	0	0	0	0
Total	113,059	0	0	0	0
Federal Stimulus Funds 2009					
General Fund	0	0	0	0	0
Federal Funds	113,059	0	0	0	0
Special Funds	0	0	0	0	0
Total	113,059	0	0	0	0
Total Expenditures	1,253,350	1,592,553	99,171	1,691,724	0
Funding Sources					
General Fund					
Total	1,122,275	1,467,553	99,171	1,566,724	0
Federal Funds					
R097 ARRA Funding	113,059	0	0	0	0
Total	113,059	0	0	0	0
Special Funds					
248 PSC Valuation Revolving Fund 248	18,016	125,000	0	125,000	0
Total	18,016	125,000	0	125,000	0
Total Funding Sources	1,253,350	1,592,553	99,171	1,691,724	0
FTE Employees	5.84	6.90	0.00	6.90	0.00

CHANGE PACKAGE DETAIL

408 Public Service Commission

Biennium: 2015-2017

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Date: 12/23/2014

Time: 12:52:10

Program: Public Utilities				Reporting Level: 00-408-300-00-00-00-00000000			
Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds	

Base Budget Changes**Ongoing Budget Changes**

Base Payroll Change		0.00	99,171	0	0	99,171
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Total Ongoing Budget Changes		0.00	99,171	0	0	99,171
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Total Base Budget Changes		0.00	99,171	0	0	99,171
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PROGRAM NARRATIVE**408 Public Service Commission****Date:** 12/23/2014**Time:** 12:52:10**Program:** Reclamation Programs**Reporting level:** 00-408-400-00-00-00-00000000**Program Performance Measures**

Not Available.

Program Statistical Data

The Reclamation Division is responsible for administering and enforcing the State's reclamation law for minimizing the environmental effects of surface coal mining and ensuring mined lands are properly reclaimed. During the 2011-2013 Biennium, the Commission permitted an additional 16,924 acres for surface coal mining and reclamation operations. Sixty-two permit revisions were approved during that two-year period, including five significant revisions that added acreage to existing permits. Seven permit renewals were also approved. Six final bond release applications were approved during the 2011-2013 biennium where the Commission terminated its jurisdiction on 4,410 acres that had been under permit, including all of the remaining permitted lands at the former Glenharold Mine. The Reclamation Division conducted 1,324 inspections on 28 inspectable units and two Notices of Violation were issued during that biennium. The amount of lignite coal mined during the 2011-2013 biennium was approximately 56 million tons, a decrease of about 1.5 million tons compared to the previous biennium.

At the end of the 2011-13 biennium, 117,266 acres were under permits held by seven companies for seven mines. Of these, six were active and the other one was inactive and under reclamation. Since July 1, 2013, the Commission issued a new mining permit to BNI Coal, Ltd. for 8,360 acres that are part of a new mine area at the Center Mine. This permit was issued in May 2014. In addition, a mining permit was issued to the Coyote Creek Mining Company, a subsidiary of the North American Coal Corporation, in February 2014 to permit 84 acres for the shop/office area and dragline erection site that will be part of the new Coyote Creek Mine southwest of Beulah. Two significant revisions were also approved in the first half of 2014 that permitted additional acreage at existing mines. The Commission has also conducted technical reviews on the Otter Creek Mining Company's application to permit a new 5,490 acre mine northwest of Center and South Heart Coal, LLC's, application for a 4,581 acre mine southwest of South Heart. As of August 2014, the Commission was still waiting for company responses to technical deficiency letters on these permit applications.

The Commission also received a second permit application from the Coyote Creek Mining Company in late 2013 to permit 8,092 acres that includes the actual mining areas at the Coyote Creek Mine. This mine will begin supplying coal to the Coyote Power Station south of Beulah in May of 2016. Staff has conducted completeness and technical reviews of this application and expects that the permit will be issued in the fall of 2014.

A reclamation fee on lignite mined in North Dakota is collected by the federal government to fund the abandoned mine lands reclamation program. The Abandoned Mine Lands Division (AML) then applies and uses these federal funds to reclaim abandoned mine lands with dangerous high walls, stabilize underground mine voids, and fill mine sinkholes. AML staff design and manage the AML reclamation projects, but all of the actual construction work is done by private contractors after the award of contracts following the State procurement process.

During the 2011-2013 biennium, several major projects were carried out to eliminate hazards at abandoned surface and underground coal mines. Projects were carried out near Beulah and Zap to inject pressurized grout into abandoned underground mine voids located under public roads and near homes. Similar projects are being carried in the 2013-15 biennium north of Beulah and near Scranton in Bowman County. Construction projects to backfill dangerous highwalls at abandoned surface mines were conducted south of Sawyer and south of Columbus during the 2011-2013 biennium. Surface mine reclamation projects carried out during the 2013-15 biennium are located east of New England, northeast of Glen Ullin, and west of Hazen. Smaller projects to fill sinkholes caused by past underground mining are conducted each year at many locations in western North Dakota. Emergency projects to fill mine sinkholes were also completed near Kenmare and Scranton during 2011-2013 Biennium.

A project was also completed in December 2012 to extinguish four dangerous coal outcrop fires in western North Dakota, mainly on U.S. Forest Service lands in Slope and McKenzie Counties. Special funds were received from the federal Office of Surface Mining for this work.

The Reclamation and AML Divisions continue to add more data to a Geographic Information System (GIS) to manage geospatial data. The Reclamation Division uses the GIS data to assist in carrying out its technical reviews and to make mine inspections more efficient. This includes downloading GIS data onto tablet computers and iPads

PROGRAM NARRATIVE**408 Public Service Commission****Date:** 12/23/2014**Time:** 12:52:10**Program:** Reclamation Programs**Reporting level:** 00-408-400-00-00-00-00-00000000

equipped with GPS for use during routine mine inspections. The AML Division continues to add data to the GIS on all known and newly discovered abandoned coal mines in North Dakota.

Explanation of Program Costs

The reclamation programs are authorized 13.7 full-time employees and two part-time seasonal employees. Most of the costs for these programs are paid by the federal government on a cost reimbursable basis. The funds are primarily used to pay for wages and to procure outside construction and other services for abandoned mine lands (AML) reclamation.

The costs of administering and enforcing the coal regulatory program are split 36% state general funds and 64% federal funds while the AML program is 100% federal funds. The commission also collects indirect costs from the federal government on the salaries of the employees that work on these programs. Based on federal legislation enacted by Congress in late 2006, the federal reclamation fees used to fund the AML program will be collected until 2022. This legislation also resulted in a significant increase in the amount of federal funds that North Dakota receives for its AML program starting in calendar year 2008. For calendar years 2013 and 2014, the Commission expects to receive approximately 4 million dollars of federal funds per year. The Commission received only about 1.6 million dollars per year for the AML program for many years prior to 2008.

Program Goals and Objectives

1. Reclaim all land currently surface mined for lignite to standards required under State and Federal law. This is to ensure that environmental effects of surface mining are minimized and lands disturbed by mining will be returned to long-term beneficial use, with the productivity of agricultural lands restored to pre-mine levels.
2. Reclamation of coal mines that were abandoned prior to 1977 and for which there is no continuing federal or state liability. Coal mines to be reclaimed under the Abandoned Mine Lands (AML) program are sites that are very hazardous or potentially hazardous to the public and other sites environmentally degraded due to past mining.

REQUEST DETAIL BY PROGRAM

408 Public Service Commission

Bill#: SB2008

Date: 12/23/2014

Time: 12:52:10

Biennium: 2015-2017

Program: Reclamation Programs		Reporting Level: 00-408-400-00-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
Salaries and Wages					
Salaries - Permanent	1,774,844	1,976,592	110,250	2,086,842	0
Salaries - Other	0	0	0	0	111,716
Temporary Salaries	51,629	155,584	(155,584)	0	0
Overtime	20,944	89,760	(89,760)	0	0
Fringe Benefits	603,007	704,715	40,931	745,646	0
Total	2,450,424	2,926,651	(94,163)	2,832,488	111,716
Salaries and Wages					
General Fund	572,197	632,879	54,452	687,331	28,431
Federal Funds	1,878,227	2,293,772	(148,615)	2,145,157	83,285
Special Funds	0	0	0	0	0
Total	2,450,424	2,926,651	(94,163)	2,832,488	111,716
Operating Expenses					
Travel	145,203	234,500	0	234,500	0
Supplies - IT Software	1,964	12,500	0	12,500	0
Supply/Material-Professional	1,707	20,500	0	20,500	0
Food and Clothing	1,847	750	0	750	0
Bldg, Ground, Maintenance	193	50	0	50	0
Miscellaneous Supplies	4,679	3,367	0	3,367	0
Office Supplies	59	3,123	0	3,123	0
Postage	135	10	0	10	0
Printing	1,475	2,500	0	2,500	0
IT Equip Under \$5,000	0	32,500	0	32,500	0
Other Equip Under \$5,000	6,632	1,900	0	1,900	0
Office Equip & Furn Supplies	2,772	3,000	0	3,000	0
Insurance	799	825	0	825	0
Rentals/Leases-Equip & Other	0	1,000	0	1,000	0
Rentals/Leases - Bldg/Land	61,920	80,000	0	80,000	0
Repairs	196	7,500	0	7,500	0
IT - Data Processing	0	500	0	500	0
IT - Communications	7,962	7,100	0	7,100	0
Professional Development	37,766	43,500	0	43,500	0
Operating Fees and Services	34,750	84,600	0	84,600	0
Fees - Professional Services	209,618	14,000	0	14,000	0
Total	519,677	553,725	0	553,725	0

Operating Expenses

REQUEST DETAIL BY PROGRAM

408 Public Service Commission

Bill#: SB2008

Date: 12/23/2014

Time: 12:52:10

Biennium: 2015-2017

Program: Reclamation Programs		Reporting Level: 00-408-400-00-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
General Fund	87,349	65,052	0	65,052	0
Federal Funds	432,328	488,673	0	488,673	0
Special Funds	0	0	0	0	0
Total	519,677	553,725	0	553,725	0
Capital Assets					
Equipment Over \$5000	0	28,000	(28,000)	0	0
Total	0	28,000	(28,000)	0	0
Capital Assets					
General Fund	0	10,080	(10,080)	0	0
Federal Funds	0	17,920	(17,920)	0	0
Special Funds	0	0	0	0	0
Total	0	28,000	(28,000)	0	0
Grants					
Transfers Out	8,094	20,000	0	20,000	0
Total	8,094	20,000	0	20,000	0
Grants					
General Fund	0	0	0	0	0
Federal Funds	8,094	20,000	0	20,000	0
Special Funds	0	0	0	0	0
Total	8,094	20,000	0	20,000	0
AML Contractual Services					
Travel	35,148	50,000	0	50,000	0
Miscellaneous Supplies	764	0	0	0	0
Repairs	34	0	0	0	0
Operating Fees and Services	0	100,000	0	100,000	0
Fees - Professional Services	7,473,550	7,850,000	0	7,850,000	0
Total	7,509,496	8,000,000	0	8,000,000	0
AML Contractual Services					
General Fund	0	0	0	0	0
Federal Funds	7,509,496	8,000,000	0	8,000,000	0
Special Funds	0	0	0	0	0
Total	7,509,496	8,000,000	0	8,000,000	0

REQUEST DETAIL BY PROGRAM

408 Public Service Commission

Bill#: SB2008

Date: 12/23/2014

Biennium: 2015-2017

Time: 12:52:10

Program: Reclamation Programs		Reporting Level: 00-408-400-00-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
Total Expenditures	10,487,691	11,528,376	(122,163)	11,406,213	111,716
Funding Sources					
General Fund					
Total	659,546	708,011	44,372	752,383	28,431
Federal Funds					
R151 Mine Mapping Grant	8,095	0	0	0	0
R341 Reclamation Grant	1,201,545	1,542,392	(89,769)	1,452,623	32,744
R401 AML Admin Grant	550,216	702,973	(53,519)	649,454	50,541
R441 AML Construction Grant	8,033,289	8,575,000	(23,247)	8,551,753	0
R921 09-10 Coal Fire Suppression	35,000	0	0	0	0
Total	9,828,145	10,820,365	(166,535)	10,653,830	83,285
Total Funding Sources	10,487,691	11,528,376	(122,163)	11,406,213	111,716
FTE Employees	14.12	13.70	0.00	13.70	0.00

CHANGE PACKAGE DETAIL

408 Public Service Commission

Biennium: 2015-2017

Bill#: SB2008

Date: 12/23/2014

Time: 12:52:10

Program: Reclamation Programs			Reporting Level: 00-408-400-00-00-00-00000000			
Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds

Base Budget Changes**Ongoing Budget Changes**

A-F 13 Remove Capital Assets		0.00	(10,080)	(17,920)	0	(28,000)
Base Payroll Change		0.00	54,452	(148,615)	0	(94,163)
Total Ongoing Budget Changes		0.00	44,372	(166,535)	0	(122,163)
Total Base Budget Changes		0.00	44,372	(166,535)	0	(122,163)

Optional Budget Changes**Ongoing Optional Changes**

A-C 100 Market Analysis Equity Request	3	0.00	28,431	83,285	0	111,716
Total Ongoing Optional Changes		0.00	28,431	83,285	0	111,716
Total Optional Budget Changes		0.00	28,431	83,285	0	111,716